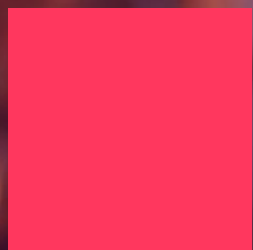


A man wearing a white thobe and a red and white checkered ghutra is sitting at a desk, working on a laptop. The background is a blurred office interior with warm lighting and large windows. The overall tone is professional and modern.

stc

financial results presentation



Investor Relations

Q1 2023



stc

strategy overview

Investor Relations
Q1 2023

d

digitize stc

- Instill digital mindset and unlock the potential of digital and analytics capabilities.
- Transform into an agile technology company and embrace new ways of working.

a

accelerate performance

- Maximize shareholder returns by transforming costs and monetizing assets.
- Connect our market through leading next-gen technology and digital offerings.
- Be a role model for sustainability and corporate governance.
- Lead company-wide culture change and be the employer of choice for top digital talent.

r

reinvent experience

- Excite customers with a seamless, personalized and secure experience.
- Be the trusted partner-of-choice for business in the region.

e

expand scale and scope

- Grow by expanding into selected growth pillars within digital services and core.

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stc

company overview

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stc signed sale and purchase agreement with solutions to sale it's entire 49% stake at ccc.

stc & solutions

stc announced a sale of land in Al-Khobar for SAR1,368 million.

Al-khobar land

stc launched a corporate investment fund (CIF) aims to invest in early stages startups.

stc Venture capita lfund

stc announced the issuance of non-objection by the "GAC" of the binding offer with solutions.

stc & solutions

January

February

March

stc brand value increased to \$12.3B

stc is the most valuable telecom brand in the region with a value of \$12.3 billion, according to Brand Finance.

Business Highlights



- ✓ stc Group, the leading digital enabler in the region, has succeeded in maintaining the first rank as the most valuable brand in the Middle East in the telecommunication sector for the third year in a row, according to Brand Finance's Global 500 2023 report. Thanks to the group's success, continuous expansion, and growth since the "dare" strategy launch in 2017. Over the last five years, the brand's value has increased by almost 100%, from \$6.2 billion in 2017 to \$12.3 billion in 2022. This achievement results from the brand's outstanding performance in maintaining its leadership position and enhancing its commercial strength in KSA and the region.
- ✓ stc Group had the most significant portion of the conference "LEAP 23", as it concluded its participation in conference by signing more than 40 agreements and showcasing several innovative services and technologies that contribute to accelerating the digital transformation of the public and private sectors. During the event, the group presented advanced and secure technology solutions contributing to the digital empowerment of various business sectors. Moreover, stc announced its cooperation with major global and local companies, including Huawei, Ericsson, Samsung, Telefónica, Motorola, Airbus, Sky Five for Air to ground internet services, and Oracle to update database technologies and accelerate the cloud transfer operation.
- ✓ stc Group announced a partnership with Lucid Group to provide direct-to-consumer connectivity services for Lucid customers in KSA. Through this collaboration, the companies will deliver exceptional connectivity that enables in-car infotainment and over-the-air functionality to enhance the driving experience for Lucid customers. As a leading digital enabler in the region, stc is committed to providing innovative solutions.
- ✓ stc Group announced the launch of its corporate investment fund (CIF). The Fund aims to invest in early stages startups in various domains including fintech, cybersecurity, artificial intelligence, digital games, Internet of Things, blockchain, and other promising areas. The CIF will make strategic investments to accelerate growth, enhance innovation and support the KSA Vision 2030 in terms of economic diversification through tapping into new sectors and supporting stc's strategy-related entrepreneurs and startups at the local, regional and international levels. The fund will also explore new technologies and business models in digital sectors.
- ✓ stc Group announced its commitment to planting one million trees by 2030. Through this commitment, stc aspires to help support the natural growth of plants and promote local wildlife within the framework of many initiatives that the Group will launch across Saudi Arabia to enhance environmental conservation. This initiative will plant 200,000 trees around telecommunication towers in Taif Governorate, representing 20% of the commitment.
- ✓ center3 and stc Bahrain have officially completed the marine survey for 2Africa Pearls in Bahrain, marking a significant milestone in the development of the overall 2Africa subsea cable project. The 2Africa Pearls subsea cable is a unique transcontinental communication system that connects 33 countries through 46 landing locations, spanning across three continents, and positioning the Middle East at the center of operations. Once completed, 2Africa Pearls will break records as the longest subsea cable ever deployed. Spanning over 45,000 km in length, the cable system will provide reliable connectivity and internet services across a number of vital landing locations in KSA, Bahrain, Kuwait, Oman, UAE, Qatar, Iraq, Pakistan, and India.
- ✓ stc has won the "Private Networks Perfection of the Year" at the 2022 Glotel Awards, as it demonstrates its commitment and innovation in edge computing domain to revolutionize digital transformation for its B2B customers, supporting the build of non-public private networks for low latency edge computing use cases. The Glotel Awards by Telecoms.com, which was held in London this year, recognizes innovation and excellence within the telecoms sector, honoring key players who are shaping the future of the industry.
- ✓ solutions by stc, the leading enabler of digital transformation in the region, has announced the successful completion of the acquisition of 100% of the Contact Center Company (ccc), the business process outsourcing (BPO) market leader in Saudi Arabia, with an enterprise value of SAR 450 million.

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Q1 2023

Financial & Operational Performance

5G

stc has deployed **7,423 5G towers** as of Q1 2023.

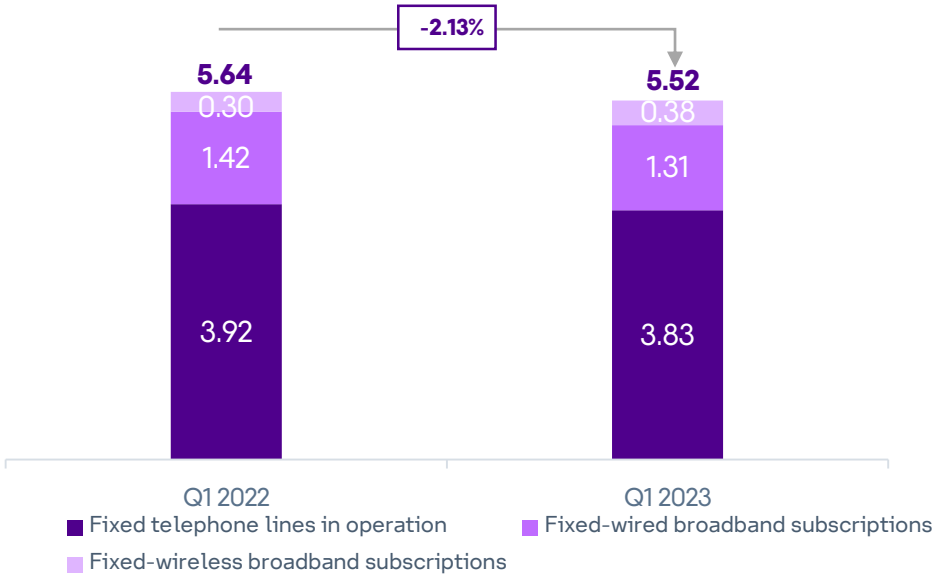
The Carrier & Wholesale Unit

The Carrier & Wholesale unit was able to achieve positive results, as its revenue grew by **0.4%**, supported by the increase in its national revenues by **19.9%**

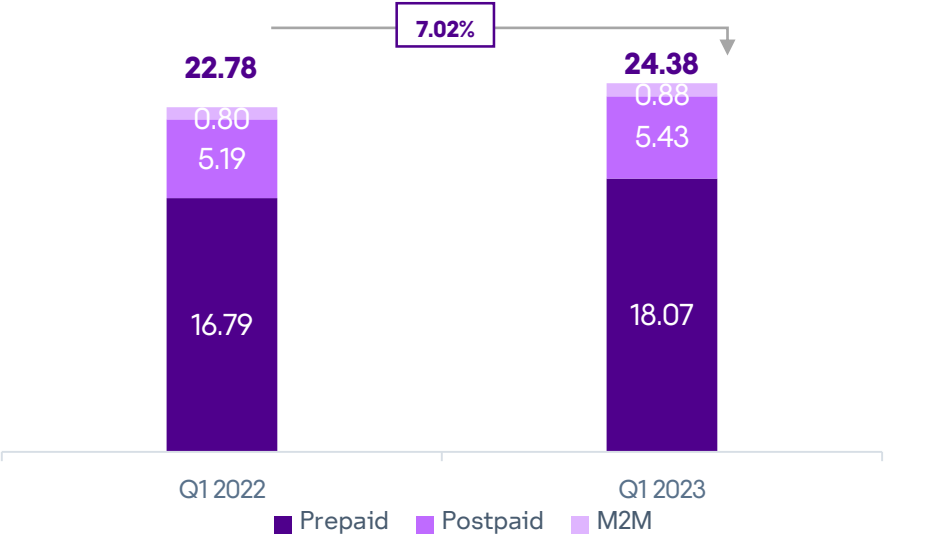
The Commercial Unit

The Commercial unit revenues increased by **1.8%**, attributed to the growth in mobility segment revenue by **2.4%**.

Fixed Subscribers (stc KSA)

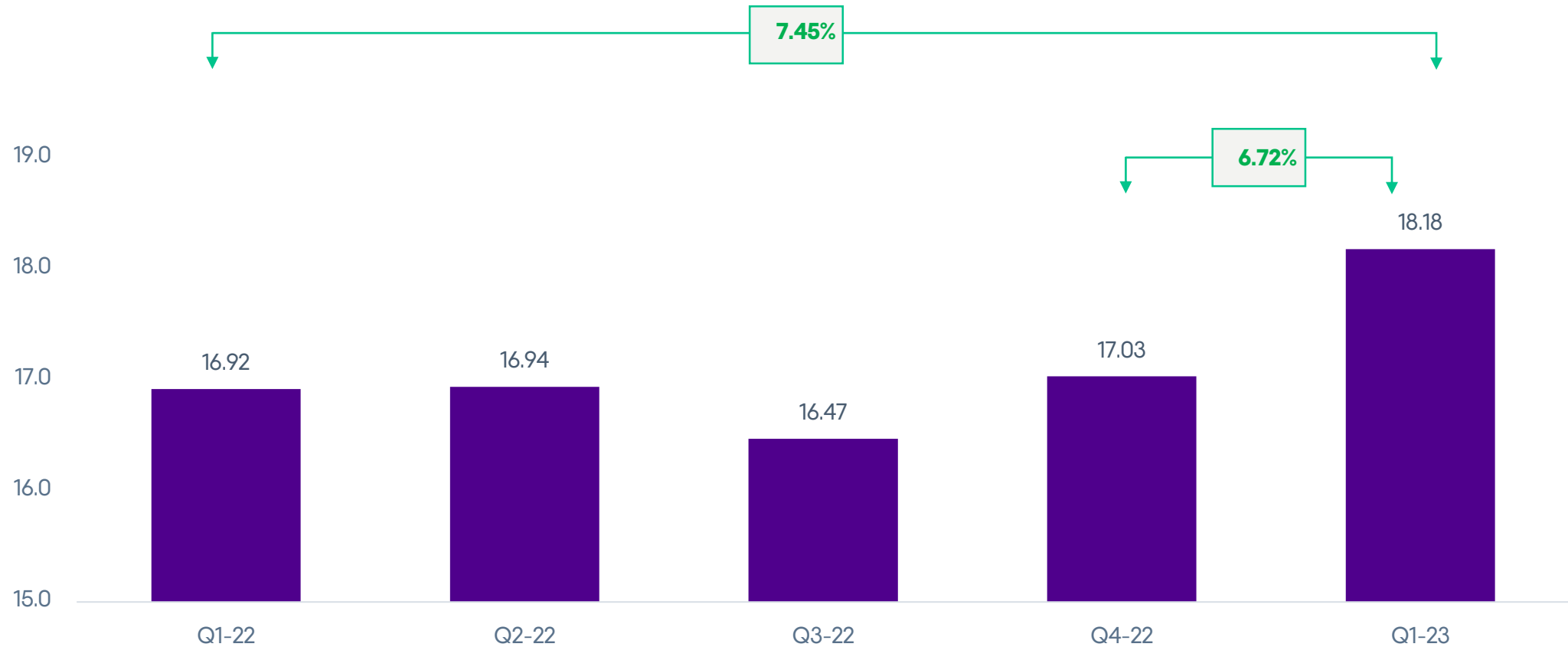


Mobile Subscribers (stc KSA)



*Fixed-wireless broadband subscribers includes 4G and 5G subscribers.
*Prepaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.
*Postpaid subscribers includes mobile voice, standard mobile broadband, and dedicated data mobile broadband subscriptions.
Numbers are in Millions for the subscribers.

stc Group – Revenue



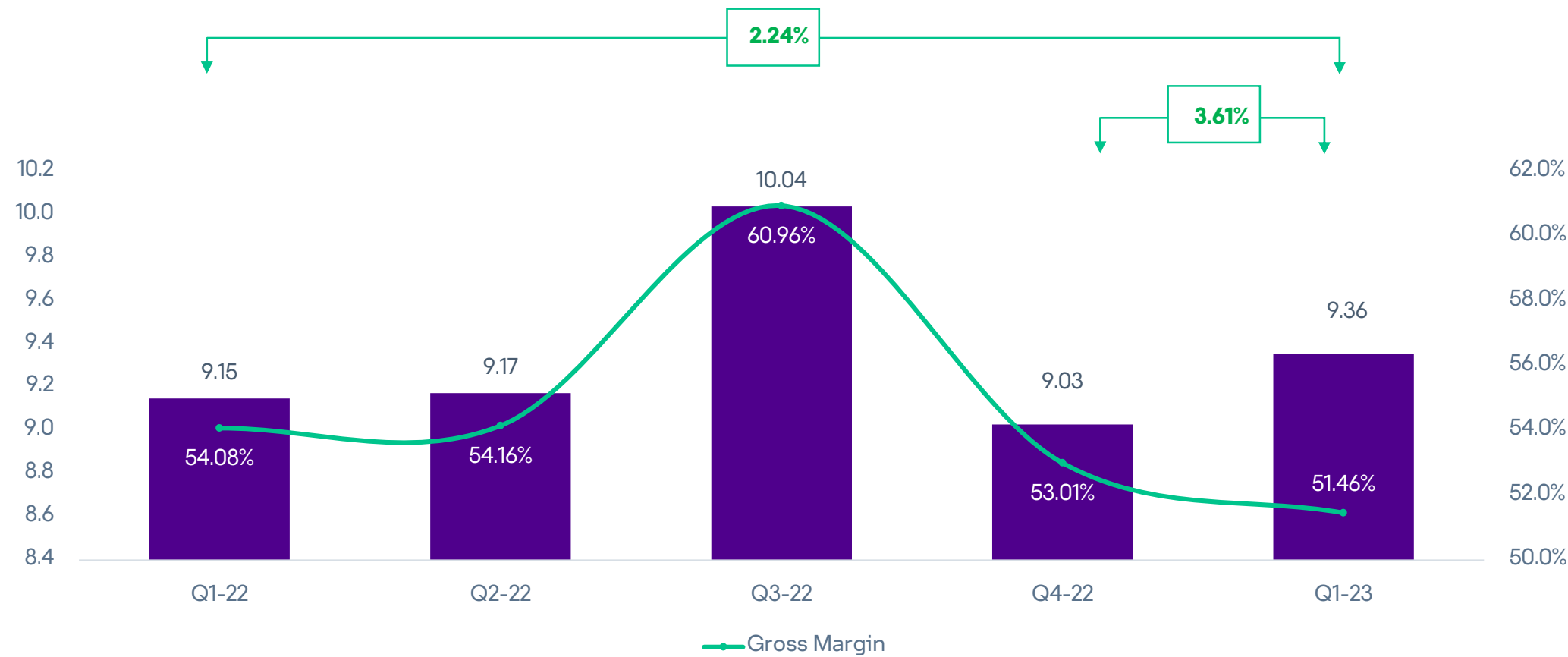
stc recorded the highest quarterly revenue in its history

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Q1 2023

All figures are in SAR Billions

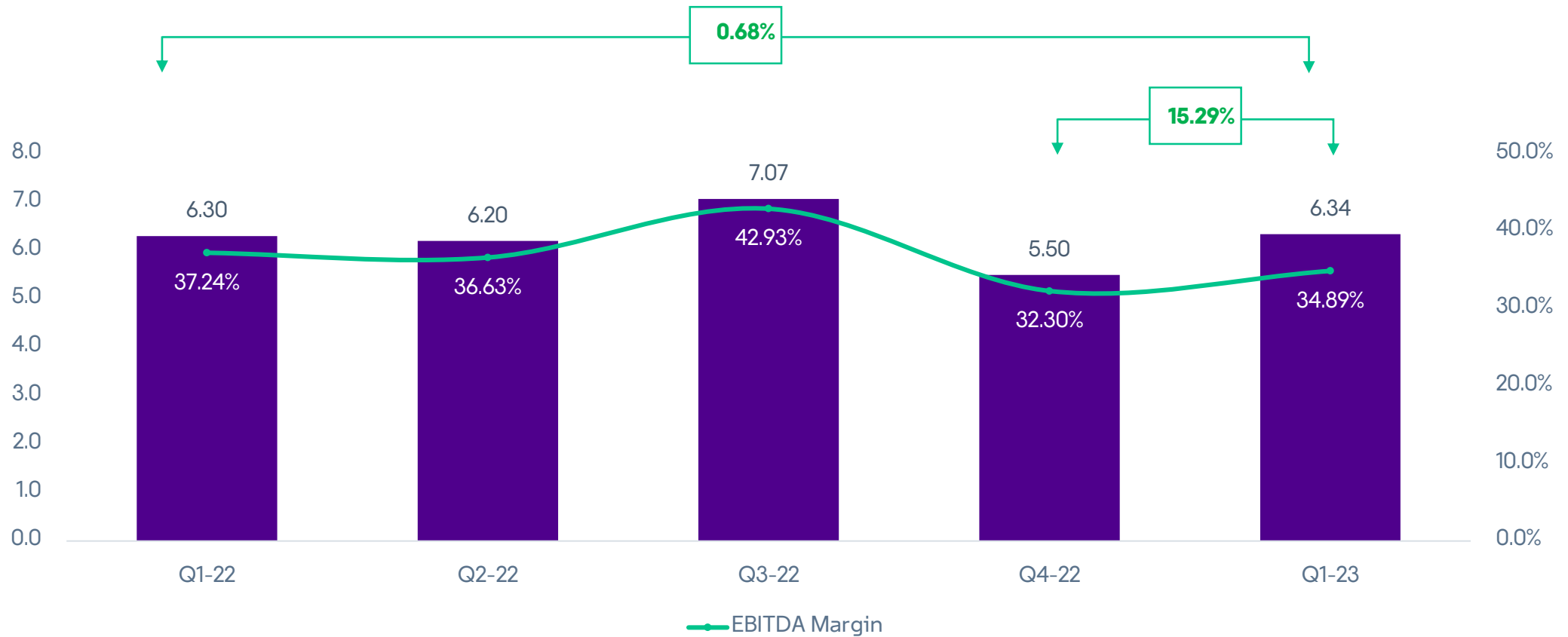
stc Group – Gross Profit



Continuous improvement in gross profit, while maintaining healthy margins

All figures are in SAR Billions

stc Group – EBITDA



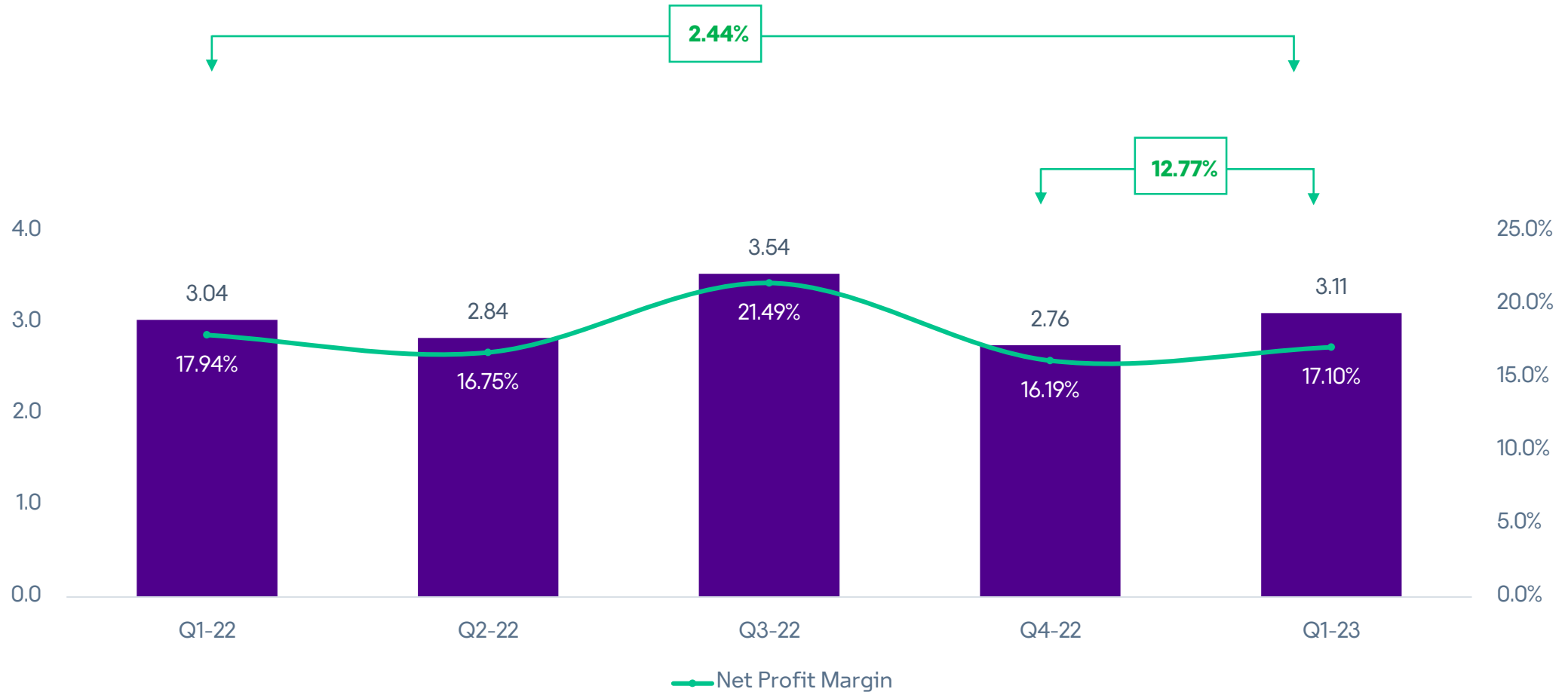
Robust growth in EBITDA for Q1 2023 compared to the previous quarter, backed with improving margins

All figures are in SAR Billions

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Q1 2023

stc Group – Net Profit



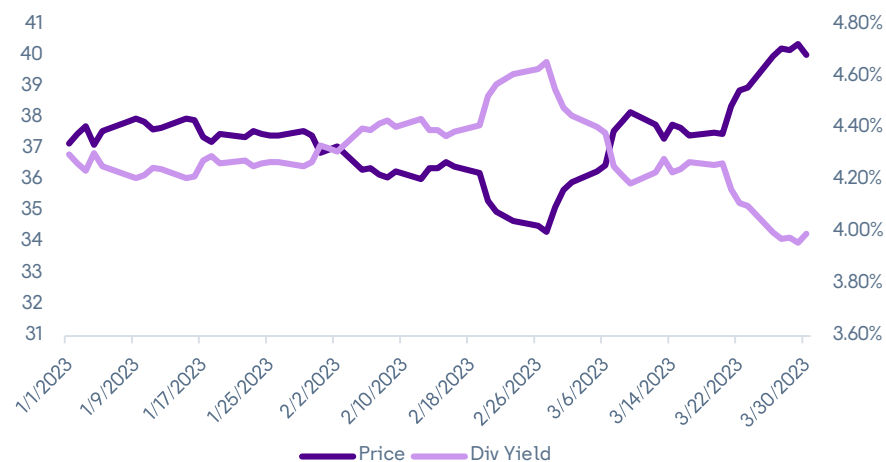
Noteworthy growth in net profit for Q1 2023 compared to the previous quarter, coupled with healthy margins

All figures are in SAR Billions

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Q1 2023

Price Vs. Yield Fluctuation

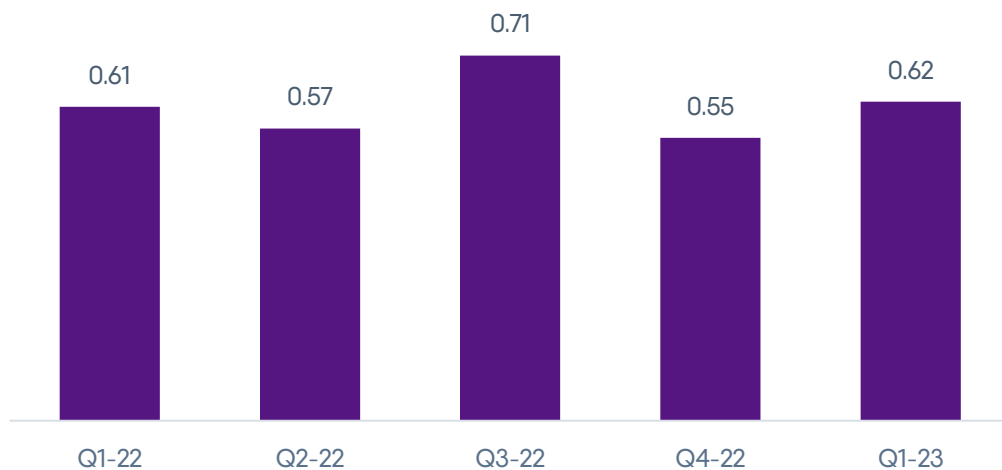


▪ stc commits to pay a fixed minimum dividend of a SAR 0.4 per share per quarter effective from Q4 2021 for three years. Furthermore, the company will consider and pay additional dividend, subject to stc BoD's approval after assessment and determination of the Company's financial situation, future outlook and capital expenditure requirements. Additional dividends are likely to vary on quarterly basis depending on the company's performance

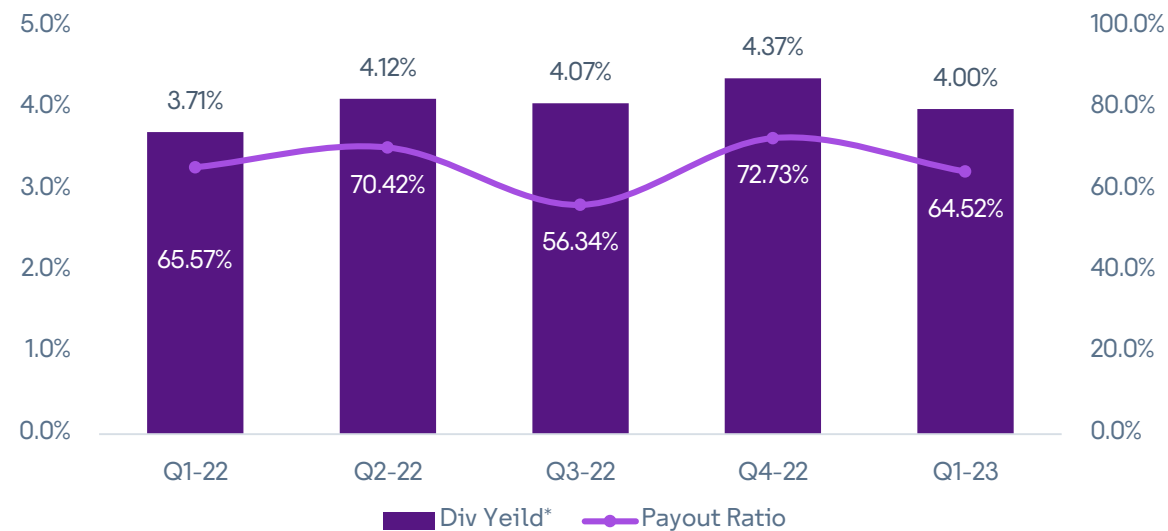
▪ The dividends policy will remain subject to:

1. Any material changes in the strategy and business of the company (including the business environment it operates in);
2. Laws and regulations that are applicable on the company;
3. Any banking, other funding or credit rating covenants that the company may be bound to follow from time to time.

Earnings Per Share (EPS)



Payout Ratio/Dividend Yield



*Annualized Dividend

thank you